Business Plans and Resource Allocation

OASD(HA)/HB&FP
Dr. Bob Opsut

Why Business Plans and New Resource Allocation Method?

- Need to be able to forecast health care needs and purchased care requirements
- Coordinate care in multi-market regions
- Place accountability for care at MTF
- Be able to explain deviations from plan
- Base budgets on outputs, not inputs

Business Plans

- Starting with historical levels, MTFs will create business plans based on a standard template and using standard measures to answer the following business questions:
  - How many people do you expect to enroll?
  - What amount of health care do you expect your enrollees to demand?
  - What amount of health care do you expect your facility(s) to produce? What amount will be for non-enrollees?
  - How are you going to meet the demands of your enrollees for health care that you can not provide?
  - What manpower resources will you have to produce health care?
  - What other major changes in your facility(s) will affect the amount of health care you produce?

Enrollment

0048 MARTIN ACH-FT. BENNING

DMISID = 0048

Bencat	Gender	Age Group	Enrollees History	Plan FY03	Plan FY04	Plan FY05
AD	M		-			
			-			
		15 to 17	6			
		18 to 24	3,845			
		25 to 34	4,813			
		35 to 44	2,343			
		45 to 64	424			
			1			
	F		-			
			-			
		15 to 17	1			
		18 to 24	682			
		25 to 34	630			
		35 to 44	246			
		45 to 64	59			
			-			
		Total	13,050	-	-	-

Bencat	Gender	Age Group	Enrollees History	Plan FY03	Plan FY04	Plan FY05
ADFM	M	0 to 4	1,986			
		5 to 14	3,225			
		15 to 17	511			
		18 to 24	316			
		25 to 34	116			
		35 to 44	88			
		45 to 64	38			
		65+	-			
	F	0 to 4	1,940			
		5 to 14	3,143			
		15 to 17	542			
		18 to 24	1,701			
		25 to 34	3,071			
		35 to 44	1,602			
		45 to 64	289			
		65+	-			
		Total	18,568	-	-	-

Bencat	Gender	Age Group	Enrollees History	Plan FY03	Plan FY04	Plan FY05
Ret/Others	M	0 to 4	68			
		5 to 14	655			
		15 to 17	444			
		18 to 24	504			
		25 to 34	34			
		35 to 44	769			
		45 to 64	2,988			
		65+	10			
	F	0 to 4	76			
		5 to 14	662			
		15 to 17	433			
		18 to 24	532			
		25 to 34	88			
		35 to 44	1,030			
		45 to 64	3,131			
		65+	25			
		Total	11,449	-	-	-

Empanelled TRICARE Plus 2329

	Enrollees History	Plan FY03	Change	Plan FY04	Change	Plan FY05	Change
All Bencats	43,067	-	(43,067)	-	-	-	-

Health Care Plan

DMISID = 0048

History		DOD Normative Demand	Enrollee Demand	In-house	Other DC	Purchase	Care for Other Enrollees	Space-A AD	Space-A Non-AD	Plus Care <65	TFL Care (65+)	Total In-house
RWPs	OB - 14	487	530	453	15	61	19	13	16	-	-	502
	GYN - 13	135	114	82	9	23	1	1	2	-	1	87
	Newborn - 15	242	8	0	-	8	-	-	194	-	-	194
	Respiratory - 4	219	191	115	11	64	6	205	18	-	92	436
	Ortho - 8	321	330	62	122	146	42	127	9	-	11	249
	Mental Health/Substance - 19/20	53	53	36	9	8	6	55	1	-	1	99
	Digestive - 6	260	288	164	47	77	12	41	16	-	33	266
	Circulatory - 5	436	464	133	71	260	7	20	25	-	75	260
	Nervous - 1	176	145	54	17	74	3	17	10	-	13	97
	ENT -3	55	71	32	5	34	6	24	4	-	1	67
	Other	592	699	348	157	194	38	146	44	-	76	654
	Total	2,977	2,893	1,478	464	951	141	649	339	-	303	2,910

FY03		Normative Demand	Enrollee Demand	In-house	Other DC	Purchase	Care for Other Enrollees	Space-A AD	Space-A Non-AD	Plus Care <65	TFL Care (65+)	Total In-house
RWPs	OB - 14	-				-			-			
	GYN - 13	-				-			-			
	Newborn - 15	-				-			-			
	Respiratory - 4	-				-			-			
	Ortho - 8	-				-			-			
	Mental Health/Substance - 19/20	-				-			-			
	Digestive - 6	-				-			-			
	Circulatory - 5	-				-			-			
	Nervous - 1	-				-			-			
	ENT -3	-				-			-			
	Other	-				-			-			
	Total	-	-	-	-	-	-	-	-	-	-	-

FY04		Normative Demand	Enrollee Demand	In-house	Other DC	Purchase	Care for Other Enrollees	Space-A AD	Space-A Non-AD	Plus Care <65	TFL Care (65+)	Total In-house
RWPs	OB - 14	-				-			-			
	GYN - 13	-				-			-			
	Newborn - 15	-				-			-			
	Respiratory - 4	-				-			-			
	Ortho - 8	-				-			-			
	Mental Health/Substance - 19/20	-				-			-			
	Digestive - 6	-				-			-			
	Circulatory - 5	-				-			-			
	Nervous - 1	-				-			-			
	ENT -3	-				-			-			
	Other	-				-			-			
	Total	-	-	-	-	-	-	-	-	-	-	-

FY05		Normative Demand	Enrollee Demand	In-house	Other DC	Purchase	Care for Other Enrollees	Space-A AD	Space-A Non-AD	Plus Care <65	TFL Care (65+)	Total In-house
RWPs	OB - 14	-				-			-			
	GYN - 13	-				-			-			
	Newborn - 15	-				-			-			
	Respiratory - 4	-				-			-			
	Ortho - 8	-				-			-			
	Mental Health/Substance - 19/20	-				-			-			
	Digestive - 6	-				-			-			
	Circulatory - 5	-				-			-			
	Nervous - 1	-				-			-			
	ENT -3	-				-			-			
	Other	-				-			-			
	Total	-	-	-	-	-	-	-	-	-	-	-

Health Care Plan

DMISID = 0048

History		Normative Demand	Enrollee Demand	In-house	Other DC	Purchase	Care for Other Enrollees	Space-A AD	Space-A Non-AD	Plus Care <65	TFL Care (65+)	Total In-house
RVUs	Primary Care	112,056	98,511	87,353	5,412	5,746	8,267	73,374	6,884	35	8,736	184,650
	Emergency	18,271	25,375	20,021	1,593	3,762	2,456	8,293	2,778	4	1,763	35,314
	Mental Health/Social Work	46,705	53,241	37,027	3,435	12,778	1,988	10,020	1,193	-	735	50,963
	Ortho/Phys Ther	39,565	42,940	33,597	3,273	6,069	3,497	29,094	2,425	1	1,147	69,762
	Internal Med Sub	1,273	21,016	8,147	2,395	10,473	473	1,577	413	-	610	11,220
	Surgery	5,965	11,657	7,412	898	3,347	330	1,100	346	0	2,156	11,344
	Surgery Sub	5,442	5,871	2,979	561	2,332	132	406	191	0	1,545	5,254
	Ophthalmology/Optometry	21,600	14,274	5,541	1,778	6,955	385	6,789	412	1	650	13,778
	OB/GYN	23,143	15,456	12,569	1,054	1,834	626	526	486	-	34	14,242
	ENT	5,523	3,701	2,228	181	1,292	95	291	53	-	100	2,767
	Dermatology	3,948	3,298	2,607	139	552	116	141	48	0	1,335	4,248
	Facility	12,893	13,475	-	-	13,475	-	-	-	-	-	-
	Radiology	2,672	3,769	-	-	3,769	-	-	-	-	-	-
	Anesthesiology	643	1,665	-	-	1,665	-	-	-	-	-	-
	Pathology	487	499	-	-	499	-	-	-	-	-	-
	Home Health Care	373	157	-	-	157	-	-	-	-	-	-
	Other	11,065	14,190	9,061	1,161	3,967	953	2,927	745	1	910	14,598
	Total	311,624	329,094	228,543	21,880	78,672	19,318	134,538	15,975	44	19,721	418,139

Plan FY03		Normative Demand	Enrollee Demand	In-house	Other DC	Purchase	Care for Other Enrollees	Space-A AD	Space-A Non-AD	Plus Care <65	TFL Care (65+)	Total In-house
RVUs	Primary Care	-				-			-			
	Emergency	-				-			-			
	Mental Health/Social Work	-				-			-			
	Ortho/Phys Ther	-				-			-			
	Internal Med Sub	-				-			-			
	Surgery	-				-			-			
	Surgery Sub	-				-			-			
	Ophthalmology/Optometry	-				-			-			
	OB/GYN	-				-			-			
	ENT	-				-			-			
	Dermatology	-				-			-			
	Facility	-				-			-			
	Radiology	-				-			-			
	Anesthesiology	-				-			-			
	Pathology	-				-			-			
	Home Health Care	-				-			-			
	Other	-				-			-			
	Total	-	-	-	-	-	-	-	-	-	-	-

Manpower Plan

DMISID = 0048

History		Assigned FTEs	Available Contract FTEs	Available Mil/Civ FTEs	Available Other FTEs	Borrowed Military	Borrowed Other	Loaned Military	Loaned Other	Plan	FY03	Assigned FTEs	Available Contract FTEs	Available Mil/Civ FTEs	Borrowed Military	Borrowed Other
Inpatient	General Surgeon	-	-	4	-	0	-			Inpatient	Surgeons					
	Surgery Sub-specialists	-	-	3	-	0	-									
	Internists	-	-	0	-	-	-				Internists					
	Family Practice	0	-	2	-	-	-				Family Practice					
	Radiologists	-	-	-	-	-	-				Radiologists					
	Anesthesiologists	-	-	-	-	-	-				Anesthesiologists					
	Nurse Anesthetists	-	-	-	-	-	-				Nurse Anesthetists					
	Residents/Interns	-	-	1	-	-	0				Residents/Interns					
	Other Providers	-	-	2	-	-	-				Other Providers					
	Nurses	42	5	37	-	-	-				Nurses					
	Other Nonproviders	43	1	36	-	-	-				Other Nonproviders					
	Total	85	6	85	-	1	0				Total					
Outpatient	Providers									Outpatient	Providers					
	Primary Care										Primary Care					
	Physicians	27	6	18	-	-	-				Physicians					
	NP/PA	22	1	23	-	0	-				NP/PA					
	Other Prof	-	-	0	-	-	-				Other Prof					
	Residents/Interns	15	-	9	-	-	1				Residents/Interns					
	Emergency	8	2	8	-	-	0				Emergency					
	Mental Health/Social Work	20	3	18	-	-	-				Mental Health/Social Work					
	Ortho/Phys Ther	14	2	12	-	-	0				Ortho/Phys Ther					
	Internal Med Sub	3	0	3	-	-	-				Internal Med Sub					
	Surgery	8	-	5	-	-	0				Surgery					
	Surgery Sub	2	-	2	-	-	-				Surgery Sub					
	Ophthamology/Optometry	5	-	3	-	-	-				Ophthamology/Optometry					
	OB/GYN	4	2	2	-	1	0				OB/GYN					
	ENT	1	-	1	-	-	-				ENT					
	Derm	1	-	1	-	-	0				Derm					
	Other	10	-	8	-	-	-				Other					
	Support Staff	220	21	202	-	-	0				Support Staff					
	Total	360	37	316	-	1	2				Total					
Other	Providers									Other	Providers					
	Radiologist	7	-	7	-	-	-	0	-							
	Anesthesiologists	1	-	1	-	-	-	-	-							
	All Other Providers	79	11	100	-	0	7	0	0							
	NonProviders	736	19	676	-	1	4	0	0		NonProviders					
	Total	823	30	784	-	1	11	0	0		Total					
Total	Providers	227	26	234	-	2	9	0	0	Total	Providers					
	NonProviders	1,041	46	951	-	1	4	0	0		NonProviders					
	Total	1,267	73	1,185	-	3	13	0	0		Total					

Regional Business Plans

OASD(HA)/HB&FP
Dr. Bob Opsut

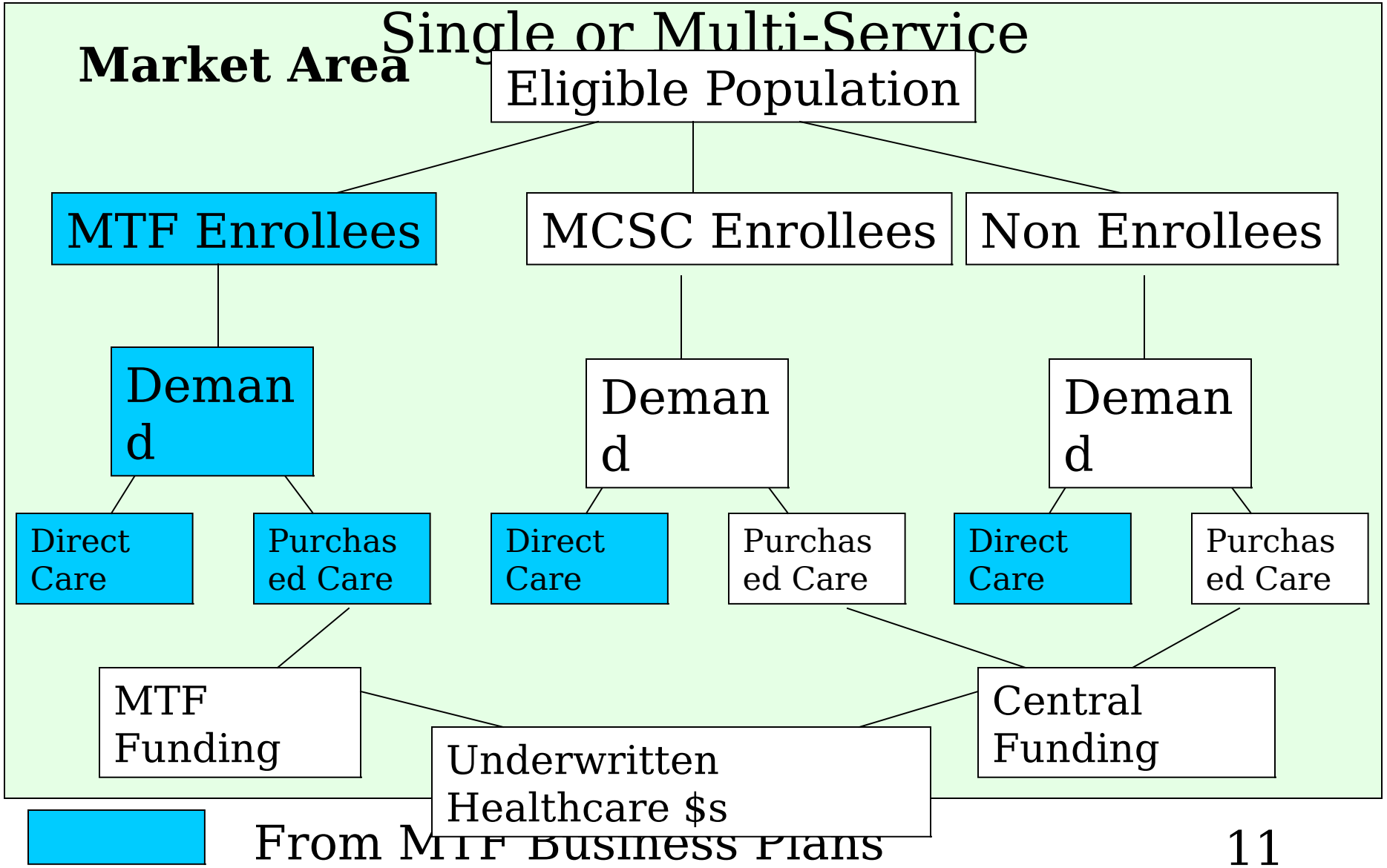
Why Regional Business Plans?

- Need to be able to forecast health care needs and purchased care requirements
- Insure adequacy of networks
- Be able to explain deviations from plan
- Better budgeting

Business Plans

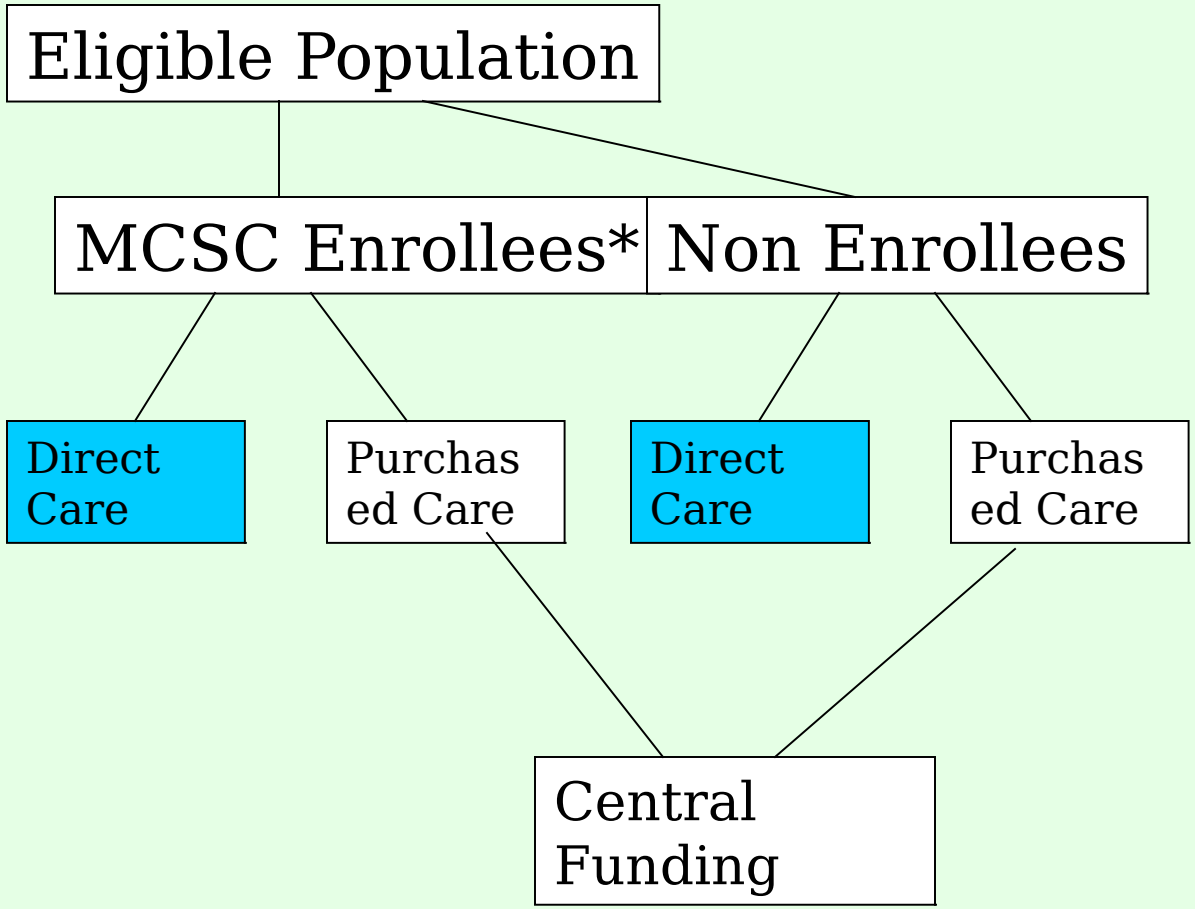
- Starting with historical levels and MTF Business Plans, Regional Directors will create business plans based on a standard template and using standard measures to answer the following business questions:
  - How many people are expected to enroll?
    - To MTFs
    - To MCSC
  - What amount of health care will the enrollees demand?
  - What amount of health care will non-enrollees demand?
  - What amount of health care will be produced in MTFs?
    - For MTF enrollees
    - For MCSC enrollees
    - For non-enrollees
  - What amount of health care will be purchased in the civilian sector?
    - For MTF enrollees
    - For MCSC enrollees
    - For non-enrollees

Market Area Business Plan



White Space Business Plan

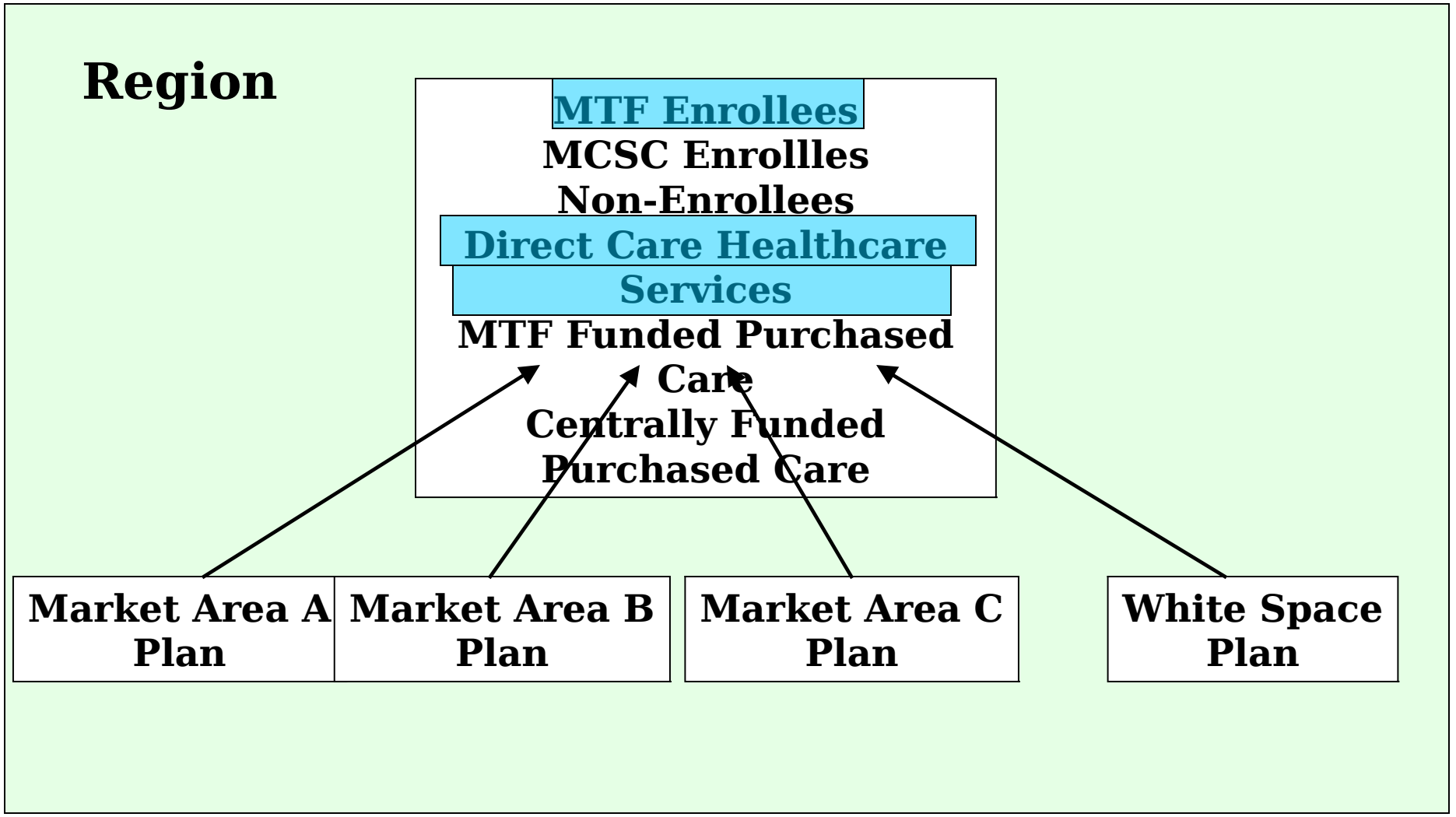
White Space



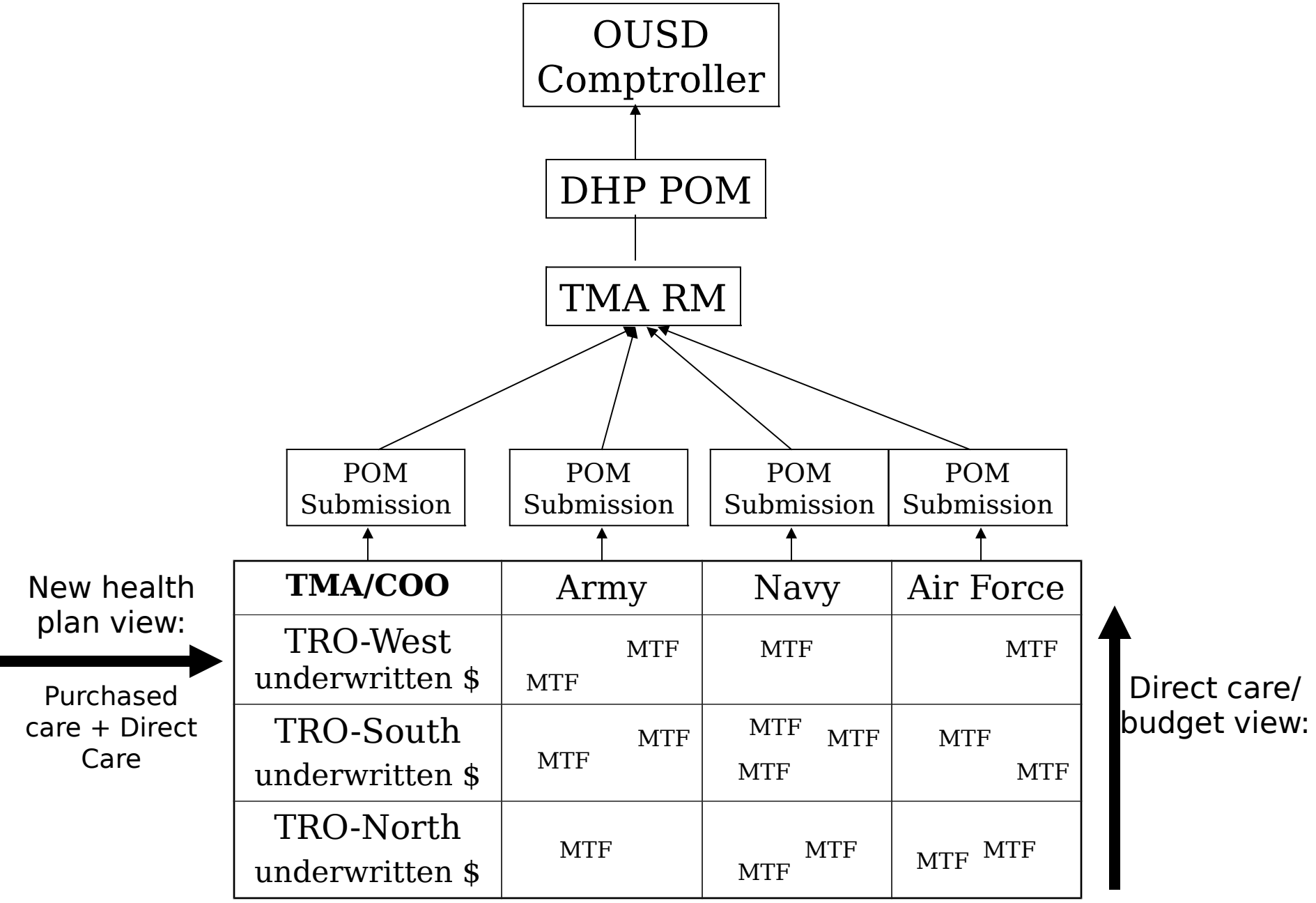
From MTF Business Plans

* Includes TPR

Regional Business Plan



From MTF Business Plans


OUSD Comptroller
DHP POM
TMA RM
POM Submission
POM Submission
POM Submission
POM Submission
New health plan view:
Purchased care + Direct Care
TMA/COO
Army
Navy
Air Force
TRO-West underwritten $
TRO-South underwritten $
TRO-North underwritten $
MTF
Direct care/ budget view:

Impact on MTFs

Program/ Initiative	New requirement	MTFs impacted
Revised Financing	MTF Prime purchased care $ accountability	• All MTFs with Prime enrollees (?) • Parent DMIS ID
Output Based Resource Allocation	MTF Business Plan as basis for resource allocation for *healthcare* budget	• 150 MTFs • CONUS + OCONUS
T-Nex Governance	• MTF Business Plan • Regional Business Plan • Market Management	• CONUS only • TRO • 12 multi-service market areas

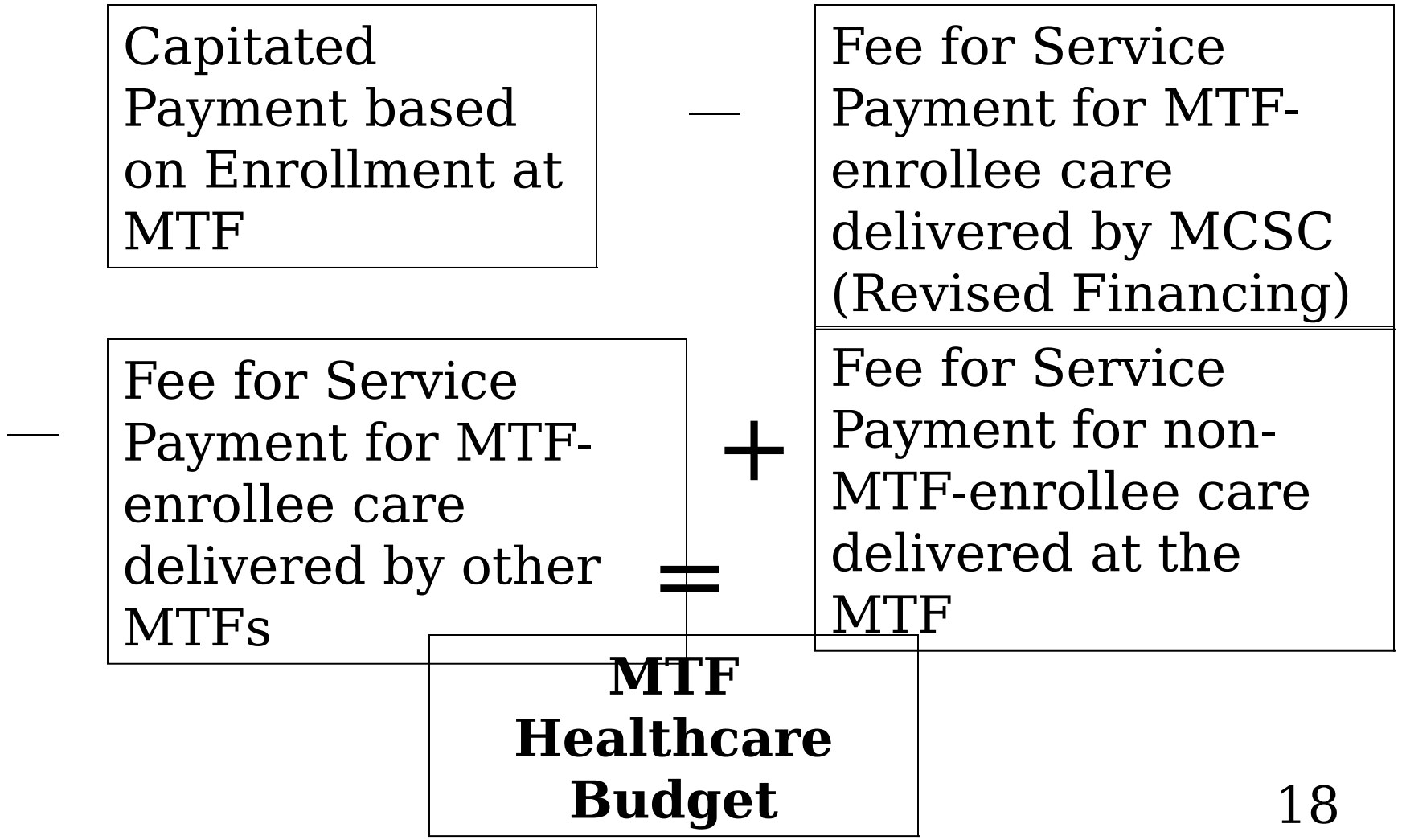
Impact on MTFs (cont.)

	Business Plan - OBRA	Business Plan – Governance	Revised Financing
MTF – Parent DMIS ID	Each MTF submit to Service	Each MTF submit to TRO thru Service or submit to Senior Mkt Mgr	Applies
Multi-Service Market (MTF A + MTF B)	None	Senior Mkt Mgr submit roll-up to TRO	
MTF – Child DMIS ID	Accounted for in Parent Bus Plan	Accounted for in Parent Bus Plan	Tracked at this level by Service RM

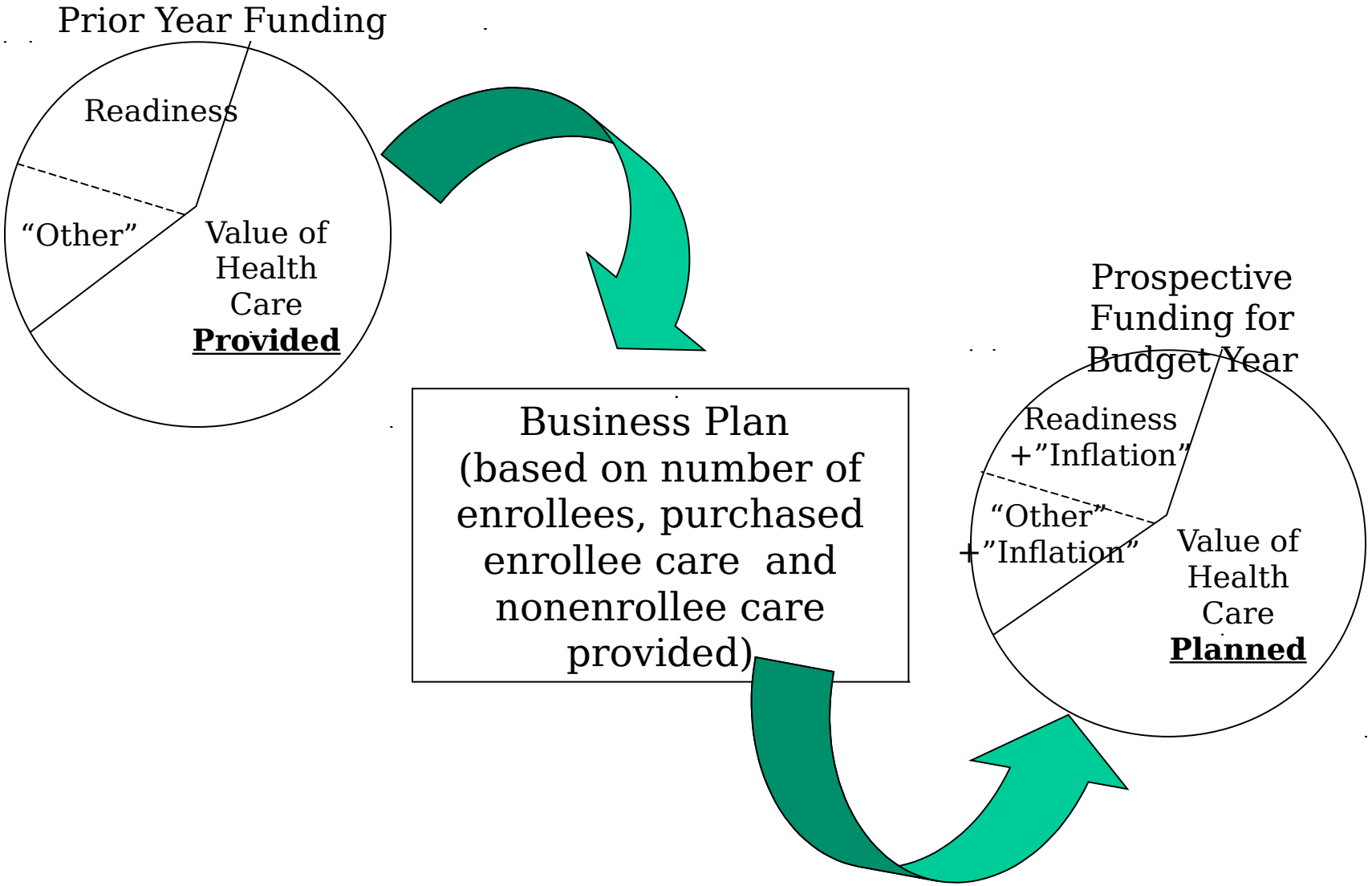
MTF Healthcare Budget

- Capitated Rate for MTF Enrollees
  - Must pay fee for service rates for care delivered to enrollees by
    - Other MTFs
    - Purchased Care
- Fee for service payment for care delivered to:
  - Other MTF enrollees
  - MCSC enrollees
  - NonEnrollees

MTF Healthcare Budget Determination


Capitated Payment based on Enrollment at MTF
—
Fee for Service Payment for MTF-enrollee care delivered by MCSC (Revised Financing)
—
Fee for Service Payment for MTF-enrollee care delivered by other MTFs
+
Fee for Service Payment for non-MTF-enrollee care delivered at the MTF
=
MTF Healthcare Budget

Effects of Business Plans on Direct Care E


Prior Year Funding
Readiness
"Other"
Value of Health Care **Provided**
Business Plan (based on number of enrollees, purchased enrollee care and nonenrollee care provided)
Prospective Funding for Budget Year
Readiness +"Inflation"
"Other" +"Inflation"
Value of Health Care **Planned**

- Budgets will be reconciled based on performance against

Resource Allocation Issues

- Policy Issues
  - Integration into the budget process
    - Timing of reconciliation
  - Scope
  - Consistency with Accrual Fund
- Technical Issues
  - Calculating rates
  - Special categories of care
  - Data Issues
  - Coding Issues
  - Reinsurance

Status

- Template developed
- Historical data generated
- MTF specific business plans being developed
- Meeting with Tri-Service IPT
  - Working through Policy Issues
  - Next step: Technical Issues

Next steps

- Due date for Business Plans - May 1st
  - Some extensions granted
- Continue development of details on financing plan - 4 months
- Shadow financing plan in FY04
- Begin movement of resources in FY05
  - 4 years for full implementation